NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

THIS LEASE AGREEMENT is made this 4th day of

PAID-UP OIL AND GAS LEASE (No Surface Use)

Anthony Ray Albred

_____, 2008, by and between

June

whose address is	1000 Edgewood Trail, Benbrook, TX 76126	Lessor (whether one or more), and FOUR SEVENS ENERGY CO., LLC, whose address is
201 Main Street, Suite	1455, Fort Worth, Texas 76102, as Lessee. All printed portion	ns of this lease were prepared by the party hereinabove named as Lessee, but all other provisions
(including the completio	n of blank spaces) were prepared jointly by Lessor and Lessee.	
1. In consideration called leased premises:	of a cash bonus in hand paid and the covenants herein contained,	Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter
Being Lot 6, Block 9, P Records, Tarrant Coun		brook, Tarrant County, Texas, according to the plat recorded in Volume 388-87, Page 31, Plat
prescription or otherwis association therewith (in addition to the above-de the above-described leas	e), for the purpose of exploring for, developing, producing and cluding geophysical/scismic operations). The term "gas" as used It scribed leased premises, this lease also covers accretions and any see sed premises, and, in consideration of the aforementioned cash both the description of the land so covered. For the purpose of determining	res, more or less (including any interests therein which Lessor may hereafter acquire by reversion, marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in erein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In mall strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to nus. Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a ing the amount of any shut-in royalties becreunder, the number of gross acres above specified shall be
This lease, whice substances covered hered hereof.	th is a "paid-up" lease requiring no rentals, shall be in force for a p by are produced in paying quantitics from the leased premises or fi	primary term of3 years from the date hereof, and for as long thereafter as oil or gas or other rom lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions
separator facilities, the racilities, provided that prevailing in the same from substances covered here other excise taxes and to purchase such productionearest field in which the purchases hereunder; and gas or other substances are being sold by Lessee, su well or wells are shut-in Lessor or to Lessor's crethe well or wells are shut from another well or well or wells are shut from another well or well or wells are shut from another well or w	royalty shall be 25 % of such production, to be delivered at La Lessee shall have the continuing right to purchase such productic leid, then in the nearest field in which there is such a prevailing proby, the royalty shall be 25 % of the proceeds realized by Lesse, the costs incurred by Lessee in delivering, processing or otherwise at the prevailing wellhead market price paid for production of sime ere is such a prevailing price) pursuant to comparable purchase cond (c) if at the end of the primary term or any time thereafter one of covered hereby in paying quantities or such wells are waiting on high well or wells shall nevertheless be deemed to be producing in pa or production therefrom is not being sold by Lessee, then Lessee sleadit in the depository designated below, on or before the end of sai	paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's essee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation on at the wellhead market price then prevailing in the same field (or if there is no such price then ice) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other e from the sale thereof. less a proportionate part of ad valorem taxes and production, severance, or we marketing such gas or other substances, provided that Lessee shall have the continuing right to hilar quality in the same field (or if there is no such price then prevailing in the same field, then in the stracts entered into on the same or nearest preceding date as the date on which Lessee commences its r more wells on the leased premises or lands pooled therewith are capable of either producing oil or ydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not alwaying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such and pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to d 90-day period and thereafter on or before each anniversary of the end of said 90-day period while that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee syalty shall be due until the end of the 90-day period next following cessation of such operations or amount due, but shall not operate to terminate this lease.
agent for receiving pays Lessor or to the deposite the depository should lice	nents regardless of changes in the ownership of said land. All pays ory by deposit in the US Mails in a stamped envelope addressed to t	to Lessor's credit in <u>at Lessor's address above</u> or its successors, which shall be Lessor's depository ments or tenders may be made in currency, or by check or by draft and such payments or tenders to he depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If I or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper
pooled therewith, or if a or the action of any goverworking an existing wo foperations on such drope but Lessee is then one or more of such ope hereby, as long thereafte hereunder, Lessee shall develop the leased prenuncompensated drainage provided herein.	Il production (whether or not in paying quantities) permanently cea remmental authority, then in the event this lease is not otherwise is ell or for drilling an additional well or for otherwise obtaining or row y hole or within 90 days after such cessation of all production. If at engaged in drilling, reworking or any other operations reasonably trations are prosecuted with no cessation of more than 90 consecution as there is production in paying quantities from the leased promit drill such additional wells on the leased premises or lands pooled to mises as to formations then capable of producing in paying quantities by any well or wells located on other lands not pooled therewith	able of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands ses from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 being maintained in force it shall nevertheless remain in force if Lessee commences operations for estoring production on the leased premises or lands pooled therewith within 90 days after completion to the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in calculated to obtain or restore production therefrom, this lease shall remain in force so long as any we days, and if any such operations result in the production of oil or gas or other substances covered ses or lands pooled therewith. After completion of a well capable of producing in paying quantities herewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) fitties on the leased premises or lands pooled therewith, or (b) to protect the leased premises from the result of the production of the leased premises from the result of the production of the leased premises from the leased premises or lands pooled therewith, or (b) to protect the leased premises from the result of the production of the leased premises from the leased premises from the leased premises or lands pooled therewith, or (b) to protect the leased premises from the leased premises of lands production of the production of the production of the leased premises from the leased premises of lands production of the production of the leased premises from the leased premises of lands production of the leased premises from the leased premises of lands production of the leased premises from the leased premises from the leased premises of lands production of the leased premises from the leased premises from the leased premises of lands production of the leased premises from the leased premises of lands production of the leased premises of lands premises are lands to the leased premises of lands production of la
 Lessee snall have to any or all substances 	c me right but not the obligation to pool all or any part of the leases covered by this lease, either before or after the commencement of	d premises or interest therein with any other lands or interests, as to any or all depths or zones, and as production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or

law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of loo,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall th

operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage

tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" shall have the meanings prescribed by applicable law or the appropriate governmental authority having jurisdiction is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority having jurisdiction is so prescribed.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or dult authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder. Lessee may pay or tender such shut-in royalties to such persons or to

- their stedit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby. Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessoe hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.
- 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above. Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
 - 16. Notwithstanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- 17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of _____ 2 years ____ from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.
 - 18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original

SEE EXHIBIT "A" ATTACHD HERETO AND BY REFERENCE MADE A PART HEREOF.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors administrators successors and assigns whether or not this lease has been executed by all parties beginning that are lessor.

executors, administrators, successors and assigns, whether or not this leas	ie has been executed by an parties herematoive named as Lesson.	
LESSOR (WHETHER ONE OR MORE)		
Signature:	Signature:	
Printed Name: Anthony Ray Allred	Printed Name:	
	ACKNOWLEDGMENT	
STATE OF TEXAS		
COUNTY OF Tarrant This instrument was acknowledged before me on the	day of June. 2008, by Anthony Ray Alired	
MARTHA-NELL SPIKES Notary Public STATE OF TEXAS My Comm. Exp. 01/16/2012	Notary Public, State of Texas Notary's name (printed) Notary's commission expire ACKNOWLEDGMENT OI 110 2012	Kes
STATE OF TEXAS	ACKNOWLEDGMENT 01/10/2012	
COUNTY OF <u>Tarrant</u> This instrument was acknowledged before me on the	day of, 20, by	
	Notary Public, State of Texas Notary's name (printed): Notary's commission expire	

EXHIBIT "A"

Attached to and made a part of that certain Paid-Up Oil and Gas Lease (No Surface Use) dated the Harman day of June, 2008, by and between Allred as Lessor, and FOUR SEVENS ENERGY CO., L.L.C., as Lessee.

- 19. <u>Royalty:</u> It is agreed and understood that Lessor's royalty interest will never be charged with any part of Lessee's direct cost of producing, storing, separating, dehydrating, compressing, transporting (excluding common carrier tariffs if the sales price is a market value price at a delivery point significantly removed from the wellhead.) It is agreed between the Lessor and Lessee, that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.
- 20. <u>Addendum Provisions Govern:</u> The foregoing Addendum and the provisions of the Addendum shall supersede and govern the provisions of the lease, wherever those provisions are in conflict with the Addendum. This lease, including the Addendum, shall inure to the benefit of, and be binding upon the parties hereto and other respective heirs, representatives, successors and assigns



CHESAPEAKE ENERGY CORPORATION 301 COMMERCE ST STE 600

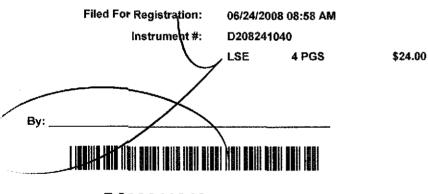
FT WORTH

TX 76102

Submitter: CHESAPEAKE ENERGY CORPORATION

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

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